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7 August 1958

CURRENT INTELLIGENCE WEEKLY SUMMARY

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THE WEEK IN BRIEF

PART I

OF IMMEDIATE INTEREST

SINO-SOVIET TACTICS ON EAST-WEST ISSUES Page 1

In his letters of 5 August to the three Western heads of government, Khrushchev no longer called for an immediate five-power summit conference on the Middle East but demanded that this problem be considered by a special session of the UN General Assembly as soon as possible. He sought, however, to offset any negative free world reaction by reaffirming his desire for summit talks on general East-West problems, as first proposed last December. This shift in tactics probably reflects Khrushchev's recognition of the failure of Soviet efforts to force the United States and Britain to accept Moscow's terms for five-power talks on Lebanon and Jordan and his desire for an immediate world forum in which to denounce American and British actions in the Middle East before the crisis atmosphere dissipates further.

The Chinese Communists had endorsed Khrushchev's call for "big-power" summit talks on the Middle East in the communiqué of 3 August following the Khrushchev-Mao talks in Peiping. Khrushchev, however, apparently decided to drop this line after studying the latest British and American notes. The Chinese Communists on 6 August promptly supported his new proposals for a General Assembly session and a summit conference on general world problems.

Khrushchev and Mao Tse-tung probably coordinated Sino-Soviet policy on general East-West issues and discussed intrabloc problems. Peiping is maintaining pressure on the Chinese Nationalists by moving air units into Fukien Province opposite Taiwan. Any Nationalist counteraction could be used by the Communists as grounds for insisting on the inclusion of the Taiwan issue on the agenda of any future summit conference. The Chinese Communists, however, are unlikely to start major hostilities in the near future, although there is a possibility of serious air clashes in the area.

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PART I (continued)**MIDDLE EAST DEVELOPMENTS Page 5**

The Lebanese opposition is still using terrorism and minor military harassment to press for the immediate resignation of President Chamoun and his pro-Western cabinet and for the withdrawal of American troops. King Husayn's position in Jordan is being undermined rapidly, despite increased security precautions, by deteriorating economic conditions and growing sentiment that he should abdicate to permit a rapprochement with the UAR. Iraqi leaders say they are still studying the question of Iraq's relation to the Baghdad Pact, but they probably will withdraw eventually. Nasir is reported to be concerned over continuing problems in Syria.

PART II**NOTES AND COMMENTS****GENEVA TECHNICAL TALKS Page 1**

The Soviet delegation at Geneva has outlined an inspection system for detecting nuclear tests that is much more comprehensive and detailed than any previously suggested by the USSR but falls short of what the West desires. Moscow appears willing to implement such a system, and eager to have the conferences end with a wide measure of agreement. If the experts at Geneva fail to resolve the major points of difference, the USSR probably expects that its proposals appear reasonable enough to make a strong impression on public opinion and to make it difficult for the West to insist on a more effective system.

ARISTOV EXERTS RISING INFLUENCE THROUGH RSFSR PARTY BUREAU Page 2

Presidium member Averky Aristov appears to be assuming major responsibility for the direction of the party bureau for the Russian Republic. The revitalization of the party apparatus by Khrushchev has added to the importance of the RSFSR bureau, which, through its six departments, oversees the entire range of party activities in the republic. Long associated with the industrial and agricultural development of Siberia, Aristov apparently holds an important but unpublicized role in the top leadership.

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PART II (continued)**SOVIET MILITARY PERSONNEL CHANGES Page 4**

Since Marshal Malinovsky was appointed Soviet defense minister in October 1957 to replace Marshal Zhukov, there have been a number of changes in military district and external commands. Eleven of the 18 military districts have changed commanders. Most of the former commanders had served at least three years in their posts, however, and could be considered due for reassignment. During the same period headquarters personnel remained relatively unchanged. [REDACTED]

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PEIPING CLAIMS SPECTACULAR ECONOMIC ACHIEVEMENTS Page 6

Peiping's statistical report for the first half of the year shows industrial production up 34 percent over the same period of 1957, construction activity well over the previous high in 1956, and bumper early harvests. The leadership professes to believe that these achievements are but a prelude to even greater progress in the second half of the year. It clearly feels this growth vindicates its "giant leap forward" economic policies which have been regarded as too hazardous by an unidentified "gloomy clique." [REDACTED]

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HUNGARIAN REGIME FORCES CONDITIONAL SURRENDER OF WRITERS . Page 7

As a follow-up to the execution of Imre Nagy, the Kadar regime has intensified its efforts to force Hungarian intellectuals to associate themselves with the regime. The remaining leaders of the intellectual resistance--the highly respected "populist" writers--have decided on limited cooperation and will begin contributing to regime publications. Concurrently, the government is reported to have arrested a number of secondary school students who allegedly had been influenced by the writers and had planned a demonstration following the Nagy execution; it has also continued retrials of convicted "counterrevolutionaries," some of whom are intellectuals, who had previously received light sentences. [REDACTED]

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FRENCH REACTION TO DE GAULLE'S DRAFT CONSTITUTION Page 9

The French press and political parties are concerned over the increased powers of the president and the reduced powers of the National Assembly provided for under De Gaulle's draft constitution, just submitted to a special consultative committee for review. The public's attitude, however, is "let De Gaulle see what he can do," and the final draft--although it may incorporate some changes--will probably be approved by a large majority.

FINNISH POLITICAL SCENE CONFUSED Page 9

The difficulties delaying formation of a majority government in Finland may lead to a continuation of the nonpolitical caretaker government of Reino Kuuskoski, who, contrary to usual practice, did not offer his resignation when parliament convened on 29 July. Inclusion of the Communist-front Finnish People's Democratic League, the largest party in parliament, is still unlikely.

BOLIVIAN REGIME THREATENED BY POLITICAL INSTABILITY . . . Page 10

The protracted rift between the left and right wings of the governing Nationalist Revolutionary Movement (MNR) in Bolivia may develop into open conflict if moderate President Siles carries out his most recent threat to resign. Former President Paz, titular head of the party, who returned to Bolivia last May as a self-styled moderator, has thus far failed to reconcile the two hostile MNR factions. Siles' resignation would weaken the US-backed stabilization program in Bolivia.

ARMED FORCES DISAFFECTION THREATENS CUBAN GOVERNMENT . . . Page 11

Cuba's prolonged political crisis and the government's inability to put down the Castro rebellion in Oriente Province have led to an increase in disaffection among military personnel.

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THE HAITIAN POLITICAL SITUATION Page 12

The government of Haitian President Francois Duvalier remains extremely vulnerable despite its success in putting down an attempted coup by a small group on 29 July.

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13TH UN GENERAL ASSEMBLY PRESIDENCY Page 13

Lebanese Foreign Minister Charles Malik's position favoring the landing of American troops in Lebanon has raised considerable doubts among UN members, particularly Latin American countries, about his suitability for the presidency of the 13th UN General Assembly. Malik seemed assured of the office prior to the Middle East crisis, but now other countries are offering candidates.

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NATIONALIST PARTY DEMANDS INDEPENDENCE FOR FRENCH WEST AFRICA Page 14

African nationalists at a regional party congress on 27 July demanded immediate independence, reflecting the growing opposition in French Tropical Africa to the proposed French constitutional amendments. The slogan of independence is likely to have an electrifying effect on the Africans and may force the political pace faster than desired by moderate leaders, who are appreciative of French West Africa's economic and administrative dependence on France.

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IRAQ'S NEW ECONOMIC ORIENTATION Page 15

The new Iraq Government appears to be abandoning the conservative approach to economic development followed by previous governments. Despite assurances to the West that the oil industry will remain relatively

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PART II (continued)

unaffected, the Baghdad government seems to be moving toward an accommodation with Nasir. Egyptian petroleum experts reportedly have already been sent to Baghdad, and the subject of a new pipeline through Syria has been raised. [REDACTED]

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RIVAL LEADERS IN PAKISTAN MAKE ELECTION PACT Page 16

Some improvement in political stability in Pakistan may result from the agreement reached on 3 August between President Mirza and his chief rival, former Prime Minister Suhrawardy, to cooperate in Pakistan's first national elections, now expected to be held in February. Under the pact, Mirza would appoint Suhrawardy prime minister in the new government but their agreement will remain subject to the strains of their continuing competition for power and could be modified by changing political conditions. [REDACTED]

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COMMUNIST GOVERNMENT IN INDIA'S KERALA STATE UNDER FIRE . Page 17

The Communist government in Kerala State in India has come under increasing fire as a result of a series of clashes between state police and non-Communist agitators. While Communist control in Kerala does not appear seriously endangered, this first challenge to the Communist regime has strengthened and united the opposition. Prime Minister Nehru has thus far resisted pressure for the national government to intervene. [REDACTED]

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PART III**PATTERNS AND PERSPECTIVES**

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LEBANESE PRESIDENT-ELECT GENERAL FUAD SHIHAB Page 4

General Fuad Shihab, recently elected president of Lebanon, was born in 1903 and is a member of the Maronite Christian branch of one of Lebanon's leading families. Other Shihabs are Moslems and Druze, which may be a factor accentuating the general's natural tendency for compromise in a country in which all political matters are decided on a sectarian basis. In both the 1952 disorders and the present crisis, Shihab has maintained a conciliatory attitude toward the antigovernment forces. Believing that "Nasirism is the wave of the future," the President-elect probably will soon reach an accommodation with the UAR.

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TRENDS IN INDIA'S FOREIGN RELATIONS Page 6

During the past year, developments within the Sino-Soviet bloc have led India to adopt a more critical attitude toward the Communist world. At the same time, Indo-American relations have improved. Recent events in the Middle East apparently have not yet significantly altered this situation. India is not likely to deviate from its policy of nonalignment or abandon its opposition to defense pacts and nuclear testing; at the same time, India will probably retain its questioning attitude toward the bloc.

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PEIPING'S ATTITUDE ON POPULATION GROWTH Page 11

The Chinese Communists now proclaim that an immense population is their greatest resource and presents no obstacle to their "giant leap forward" in economic development. In late 1956 and early 1957, Peiping began but did not fully develop a propaganda campaign to popularize birth control. This campaign was quietly dropped last year when the program for political liberalism was reversed and optimistic economic planning resumed. The present policy contemplates the continuation of the current population growth which would bring China's population from the present 650,000,000 to 720,000,000 in 1962 and over 810,000,000 in 1967, and to over a billion around 1975.



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PART I

OF IMMEDIATE INTEREST

SINO-SOVIET TACTICS ON EAST-WEST ISSUES

Khrushchev's Letters

Soviet Premier Khrushchev called on 5 August for a special session of the UN General Assembly to discuss the withdrawal of Western forces from Lebanon and Jordan. His letters to the three Western heads of government reflect Moscow's desire for an immediate world forum in which to denounce American and British actions in the Middle East before the crisis atmosphere dissipates further.

Khrushchev's tactical shift away from his stand of a week ago for an immediate conference on the Middle East within the Security Council framework of the Big Four heads of government, plus Indian Prime Minister Nehru and UN Secretary General Hammarskjold, represents at least a temporary suspension of Moscow's efforts to exploit the divergence of Western views on immediate summit talks and probably reflects Moscow's views that the sense of "extreme emergency" is diminishing despite Soviet diplomatic and propaganda attempts to maintain this atmosphere.

Moscow may feel that British and American recognition of the new Iraqi Government reduces the plausibility of its allegations that a Western-inspired attack on Iraq is imminent. However, Moscow is attempting to keep this fear alive with reports of additional Western troop movements and charges that Western recognition of the new Iraqi Government is only a tactic to gain

time for preparation of a "new attack on the Arab peoples."

Although Khrushchev's previous note on 28 July had not closed the door to a compromise formula for a summit meeting within the UN framework, his notes of 5 August repeated his earlier objections to an "ordinary" meeting of the Security Council, which he attacked as practically a "committee" under American domination with China represented by a "political corpse." On the same day the Soviet premier stated that it was "unthinkable" that he sit at a conference table with Chiang Kai-shek.

Khrushchev's 5 August letters also renewed the Soviet call for a summit meeting on world issues as first suggested last December. He urged that it be "composed as we had earlier proposed"--parity between Western and bloc countries, but not including Communist China.

Soviet UN delegate A. A. Sobolev in the Security Council deliberations on the Lebanese crisis in July had indicated that Moscow would hold off pressing for an immediate assembly meeting pending Western response to Soviet proposals for a summit meeting. Moscow apparently now feels that General Assembly discussion of recent Western military action in the Middle East will mobilize Arab and Asian neutralist opposition to Western Middle Eastern policies and contribute to the appearance

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that Moscow's vigorous diplomatic measures protected the Arab world from further Western intervention.

In the event of a withdrawal of Western troops from Lebanon and Jordan, the USSR could also claim credit for forcing such a move. Moscow appears to believe there is little danger now of an attack on Iraq or the UAR and probably is more interested in diplomatic and propaganda exploitation of the continued presence of British and American troops than in "forcing" their early withdrawal.

Soviet notes on 1 August to Italy and Israel protesting the use of their territory or air space for facilitating the movement of troops and military supplies to Western forces in Lebanon and Jordan were designed to keep alive public apprehension over recent Western military moves and to put pressure on pro-Western elements in these governments for their "complicity" in Western military action in the Middle East. Moscow earlier had protested to the governments of Turkey, Greece, West Germany, and Austria in an attempt to harass Western defense arrangements by attempting to exploit each country's peculiar national interests.

Khrushchev-Mao Talks

Soviet Premier Khrushchev's talks with Mao Tse-tung in Peiping were the fourth top-level Sino-Soviet discussions held since the establishment of the Chinese Communist regime. The two partners, who claimed they reached full agreement, discussed, according to their joint communiqué, the strengthening of the Moscow-Peiping alliance

and "mutual assistance." The Chinese and Soviet defense ministers were in attendance.

They apparently also coordinated Sino-Soviet views on East-West issues, summit talks, and the long-term problem of cementing bloc unity and combating the threat of "revisionism," particularly as embodied in Tito's heresies. The Chinese Communists endorsed Khrushchev's call for "big-power" summit talks in the communiqué. Khrushchev, however, apparently decided to drop this line after studying the latest American and British notes, which arrived in Moscow during his absence. On 6 August Peiping promptly supported his new proposals of 5 August.

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it is clear that one of the important reasons for Khrushchev's visit was the need to discuss intrabloc relations. Included in the delegations were Boris Ponomarev and Wang Chia-hsiang, both leading specialists in bloc affairs. The communiqué agreed that the fight against "revisionism," termed the most serious bloc problem at the moment, would continue. Tito's heresies were condemned, and attention was probably given to the problem of the future handling of the potentially divisive policies of Gomulka and Kadar.

The "mutual assistance" phase of the conference presumably centered on military, and perhaps scientific, subjects. There was no known participation by economic experts.

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[redacted] an earth satellite will be launched "in the near future" from China, and Peiping's spokesmen have intensified their call for Chinese achievements in nuclear, electronic, and missile fields.

Chinese Communist Moves

Prior to Khrushchev's visit, Peiping had begun moving jet fighters to coastal bases opposite Taiwan and had been giving a new emphasis to its propaganda urging the "liberation" of Taiwan. The Sino-Soviet chiefs and their defense ministers almost certainly discussed the Taiwan question, but the communiqué contained no reference to this or any other Far East issue, and Peiping has drastically reduced its propaganda barrage since the talks ended. Peiping's air moves along the coast appear to have been prompted primarily by a professed concern that the Chinese Nationalists are planning military action against the mainland and by the need to tighten coastal air defenses.

Peiping, with Moscow's knowledge, may have planned the air unit movements, hoping to provoke Chinese Nationalist reaction which would contribute to the atmosphere of crisis and demonstrate that Far Eastern tensions are proper subjects for summit discussion along with other international issues.

Chinese Military Situation

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[redacted] the Communists are willing to incur some military risks to achieve their objectives [redacted]

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The Communists may believe, particularly in view of the present situation in the Middle East, that the United States will restrain the Nationalists.

Despite the Chinese Nationalist view that occupation of these fields is a direct offensive threat to Taiwan, the move is apparently being undertaken ostensibly for defensive reasons. No bombers seem to be involved, and the deployment falls into a pattern of actions taken recently to deny the air space over the Chinese mainland to the Nationalists. [redacted]

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The Nationalists are continuing air patrols over the strait with protective high cover and with instructions to avoid engagement. However, the aggressiveness of Chinese Communist air patrols conducted against daily Nationalist reconnaissance flights since the occupation of the coastal airfields may lead to clashes by forces of squadron strength. An air battle on this scale could develop into an engagement involving Taiwan air space, without either side so intending.

There has been no evidence of large-scale troop movements in East China. The ground forces

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opposite the offshore islands have not been noticeably augmented. No additional troops are needed, however, to take the Matsu Islands near Foochow, where the Communists already have a two-to-one superiority. Attack against the Quemoy, near Amoy, on the other hand, would necessitate a troop build-up as the Nationalist forces there are about equal to the Communists. The recently completed Yingtan-Amoy railroad could permit a rapid, and perhaps undetected, Communist build-up in this area.

The Communists could try to take the offshore islands by means short of an outright assault. They have the capability of interdicting Nationalist supply lines by air and sea attack and by shore-based artillery and rocket fire. They also could undertake to probe American and Nationalist intentions through a limited attack against the lesser islands, Tatan or Erhtan. An assault against Taiwan proper seems highly improbable at this time because of the presence of the Seventh Fleet, the shortage of Communist landing craft, and insufficient supply build-ups in mainland port areas.

There is thus little evidence that the Communists intend to initiate any major hostile action at the present time, but the possibility of increased air clashes makes the situation volatile.

Chinese Nationalist Position

At present, there are no positive indications that the Chinese Nationalists intend to take preventive air action against the Communist-occupied airfields. However, [redacted]

[redacted] a high-level conference dealing with this subject was held on 5 August and a decision is expected by 9 August. The conference was called by Chiang Kai-shek to decide whether to attack or to live with a situation in which Communist air superiority would extend over the offshore islands and the entire Taiwan Strait.

Chiang Kai-shek stated he would continue to honor his treaty commitments to the United States, which require consultation before ordering air attacks against mainland targets. However, Chiang also termed occupation of the airfields a "great threat" and possibly a prelude to an invasion of Taiwan. Chiang probably would at least inform United States officials of his intentions and seek the tacit approval of Washington before ordering air attacks.

Although genuinely concerned, the Nationalists are also exploiting the situation to obtain more American arms. Chiang already has requested provision of Sidewinder air-to-air missiles for his air force, replacement of his obsolete F84G aircraft with newer F-86F's, a show of force by the US Seventh Fleet, and permanent stationing of F-100D's on Taiwan. Minister of Defense Yu Ta-wei has requested Admiral Smoot to transmit to President Eisenhower a request for the President to issue a public statement to the effect that he would consider an attack on Quemoy or Matsu at this time to be a threat to Taiwan. [redacted]

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MIDDLE EAST DEVELOPMENTSLebanon

Lebanese rebels are still pressing for an immediate political victory. Throughout negotiations this week they have continued to assert they will not lay down arms until American troops are withdrawn and President Chamoun and Prime Minister Sulh have resigned or left the country. To obtain these objectives, they are continuing sporadic terrorism in the towns in order to intimidate merchants into maintaining the political "strike" started last May, and are keeping up minor military harassment. Christian Lebanese apparently are most often the victims of the military activity, and this has created some fear of a "massacre" in the Christian community. A flare-up of religious fighting could occur if the Christians become convinced that a rebel political victory would be followed by further action against them.

General Shihab is groping for some compromise solution which will leave all the factions reasonably satisfied. The general's real opinions on all current subjects are obscure since he is obviously trying to be all things to all men.

On their side, Chamoun and Sami Sulh appear to have decided to try to stick it out until Chamoun's term legally ends on 23 September.

Jordan

Syria closed its border with Jordan on 3 August, thus cutting the latter off economically from practically all contact with the outside world.

All bulk imports must now come through the port of Aqaba and be transported over difficult terrain. The petroleum situation in Jordan remains touchy. The country has not retrieved some 45 tank trucks caught in Iraq by the coup there and may not get them back until POL previously supplied by Iraq is paid for. The Amman money changers have also felt the effect of isolation, and the value of the dollar has fallen there because of their inability to sell dollar holdings on the Beirut market.

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Iraq

Iraqi leaders still fear that the British and American troops threaten their regime. This fear has probably been encouraged by the Egyptian "experts" who have flocked to Baghdad. However, a leading member of the new government inquired "unofficially" this week whether the United States would be willing to continue to supply arms to Iraq. The leaders of the government still contend they are giving serious study to the question of Iraq's role in the Baghdad Pact, but it seems almost certain that they will decide to withdraw at the first opportunity to do so without unduly offending the United States and Britain.

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Saudi Arabia

The Saudi Government, increasingly dominated by Crown Prince Faysal, is now moving rapidly to establish close relations with Nasir and to repair the damage done by King Saud's machinations against the UAR leader. UAR Vice President Amir arrived in Saudi Arabia on 6 August.

Kuwait

At the end of the week, the British reported that Iraq is holding up food supplies for Kuwait at the frontier, possibly as a form of pressure. Some unrest seems likely unless the supplies are restored.

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CONFIDENTIAL~~SECRET~~**CURRENT INTELLIGENCE WEEKLY SUMMARY****7 August 1958****PART II****NOTES AND COMMENTS****GENEVA TECHNICAL TALKS**

The Soviet delegation at Geneva has been outlining a proposed international inspection system for detecting nuclear tests that is much more comprehensive and detailed than the USSR has ever suggested in years of intermittent disarmament negotiations, but one still considerably less effective than the West considers necessary. Moscow appears actually willing to implement such a system, and eager to have the conference end with a wide measure of agreement. If the experts at Geneva fail to resolve the major points of difference, the USSR probably expects that its proposals appear reasonable enough to make a strong impression on public opinion and to make it difficult for the West to insist on a more elaborate system.

The Soviet delegation made a number of concessions to the West, and agreement was reached relatively quickly in July on conclusions concerning the effectiveness of various detection methods. This conciliatory tactic was probably motivated by a desire to expedite the conference and to have on the record a wide measure of agreement on technical details. Moreover, the Soviet delegation believed that the agreements on detection methods were of secondary importance because it intended to seek an inspection system that was not strictly based on these conclusions regarding methods.

The key issue in determining the size of a control system is the problem of detecting underground tests and distinguishing them from earthquakes by seismic methods. The Soviet

delegation proposed a system that would have 100 to 110 stations throughout the world. Although it claimed these could detect all nuclear explosions of more than one kiloton, it has now admitted that they could not distinguish underground tests of about one kiloton from earthquakes. To do this, the USSR is relying on existing seismic stations to augment those of the inspection system. A Polish delegate has hinted, however, that the Soviet delegation would compromise on a larger figure, approximately 150 or 200 stations.

The Western delegation, which has argued that as many as 650 stations would be theoretically necessary to distinguish between earthquakes and explosions of one kiloton or more, has proposed a system of 170 stations designed to serve the more limited purpose of assuring that five-kiloton underground explosions can be distinguished from earthquakes. This proposal appears to have aroused strong Soviet interest.

Perhaps a more controversial problem is the use of inspection teams when detection equipment registers an unidentified explosion. While the USSR apparently believes such teams would be used only rarely and wants ad hoc teams set up on each occasion, the West anticipates a much larger number of occasions demanding inspection and wants a number of permanent inspection teams. The West is relying heavily on inspection teams to take the place of a more elaborate system of control posts. The USSR, which is probably most sensitive about mobile inspection, may

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seek to reduce Western demands for such teams in return for concessions on other aspects of an agreement, such as the number of stations. In an informal meeting on 6 August, the Soviet delegation made slight concessions on some questions but flatly opposed the Western proposals for inspection teams.

While the Soviet delegation has been pressing for agreement on certain political issues, such as the nationality of personnel manning inspection posts and priority areas of the world for inspection, it has indicated informally it will not press for such settlements in view of Western insistence on avoiding political issues at Geneva. The main Soviet aim is still to get as wide a measure of agreement there as possible.

Nevertheless, Moscow is preparing for the possibility that the conference will end with some disagreement on the scope of an inspection system, at which time it would have to convince world opinion that its proposed system was perfectly adequate. The Soviet announcement that stations in the USSR had detected 32 American tests in the Pacific over a three-

month period was designed, as TASS said, to prove that "any nuclear explosions may be traced and recorded with the help of observation stations which already exist." In addition, Moscow emphasized that the AEC, which had only announced 14, was trying to conceal from world opinion the intensity of the American testing program.

Other examples of increasing propaganda on nuclear tests were a Khrushchev statement reiterating that the Geneva conference must lead to a termination of tests and a Pravda claim that the United States was breaking its promise by continuing tests after reaching agreement with the USSR on methods of detection.

Since the Soviet Union has permitted the Geneva talks to make considerable progress in the apparent hope of bringing an end to tests, Moscow will certainly spare no effort in the political and propaganda fields to force Britain and the United States to stop tests if the Geneva conference reaches agreement or even near-agreement. (Concurred in by OSI)

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ARISTOV EXERTS RISING INFLUENCE THROUGH RSFSR PARTY BUREAU

Khrushchev's program to revitalize the party and to rely on it heavily in executing his sweeping industrial and agricultural programs has enhanced the importance of the central committee's Bureau for the RSFSR, established in 1956. The bureau, chaired by Khrushchev, is serving increasingly as an arbitrator of serious disputes arising in the administration of the decentralized industrial management which go beyond the bounds of governmental adjudication.

A decree of the party central committee published this spring identified several hitherto undisclosed departments of the bureau, bringing the known total to six. It is now clear that responsibility for day-to-day central party administration has been divided between the RSFSR bureau and its departments which conduct the affairs of the Russian Republic and the departments of the central committee for the union republics which oversee the affairs of the other 14 union republics.

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Active leadership of the bureau had been conducted by its deputy chairman, Nikolay Belyaev, until his transfer to Kazakhstan as party boss in December 1957. While no replacement as deputy chairman has been announced, there are



good indications that central committee secretary and presidium member Averky Aristov has assumed these duties.

Aristov, who has an advanced engineering education, is one of the younger generation of Soviet leaders who combine political adeptness with economic administrative skills. He has had experience in a wide variety of central and regional posts, including stints as party secretary in the mining and metallurgical centers of Sverdlovsk and Chelyabinsk in the southern Urals, Krasnoyarsk Kray in central Siberia, and Khabarovsk Kray in the Far East.

At the 19th party congress in 1952, Aristov was elected to full membership in the expanded party presidium and secretariat of the central committee, but lost both jobs immediately following Stalin's death. He subsequently regained them, however, and was reappointed to

the secretariat in July 1955, and to the presidium in June 1957 following the ouster of the "antiparty group."

It has recently been revealed that during his term on the secretariat in 1952 and 1953, Aristov was also head of the central committee's Department for Party, Trade Union, and Komsomol Organs, where one of his major duties was overseeing personnel appointments. There is no evidence, however, that he has special responsibility for appointments now, beyond enjoying the patronage prerogatives of a central committee secretary.

Aristov has apparently kept his ties with those areas where he once served as party secretary. During the past year he

BUREAU FOR THE RSFSR

CHAIRMAN

N. S. KHRUSHCHEV

PARTY ORGANS

V. M. CHURAYEV

AGRICULTURE

V. P. MYLARSHCHIKOV

**PROPAGANDA
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has made several trips to Sverdlovsk and Chelyabinsk to present awards and to check on the work of the sovnarkhoz, and last fall he flew to the Far East immediately after the Zhukov ouster to explain the development to the Far Eastern military forces.

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Although little is known about the distribution of functions among the ten central committee secretaries, and although the full range of Aristov's activities is still unclear, the fact that he is personally involved in the agricultural and industrial development of the vast area of the RSFSR extending from the southern Urals to the Pacific marks him as a man of considerable influence.

On 2 April it was announced that Aristov had delivered the

major address at a conference of regional officials called by the RSFSR bureau to discuss spring sowing. This is a function that former Deputy Chairman Belyaev performed in the spring of 1956 and 1957.

Aristov still appears as one of the lesser stars on the pages of Pravda and Izvestia, but this is probably more because of the nature of his work than his position and authority within the top leadership.

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SOVIET MILITARY PERSONNEL CHANGES

Since Marshal Malinovsky was appointed Soviet defense minister in October 1957 to replace Marshal Zhukov, there have been a number of changes in military district and external commands, but the headquarters command staff inherited from Zhukov has remained remarkably stable.

Eleven out of the 18 military districts have changed commanders. The Soviet Group of Forces, Germany, the Northern Group of Forces in Poland, and the Pacific Fleet also have new commanders. With two exceptions, all of the former commanders had served at least three years in their posts and were probably due for reassignment under normal procedures. Six of the former military district commanders have not as yet been identified in new positions, and the identity of

the present commander of one military district has not been established.

ILLEGIB

Colonel General (tank troops) A. L. Getman, who was recently appointed commander of the Carpathian Military District, was a commander of tank units during World War II. There is scant information on his activities since the war. In February 1958 he was identified as commander of Soviet troops in Rumania. He apparently received his present appointment in June of this year.

Admiral V. A. Fokin, before his recent appointment as commander of the Pacific Fleet, had been chief of the Main Naval Staff in Moscow since 1953. During World War II he held commands in the Northern Fleet and the Caspian Sea area. In the spring of 1944 he was

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involved in supervising the transfer of American and British ships to the USSR and visited both the United States and Great Britain. Most

who have had contact with Fokin consider him an able seagoing commander.

Army General K. N. Galitski, an outstanding field commander during World War II, is the new commander of the Transcaucasus Military District. He served from 1946 to 1952 as commander of the Carpathian Military District and from 1952 to 1955 as commander of the Odessa Military District. From 1955 to 1957, he commanded the Northern Group of Forces in Poland.



GALITSKI

Army General M. V. Zakharov was appointed commander of the Group of Soviet Forces, Germany, in November 1957 when the former commander, Marshal Grechko, was recalled to Moscow to become chief of the Soviet ground forces. During World War II, Zakharov proved himself an outstanding staff officer, winning

SOVIET MILITARY COMMANDERS**MILITARY DISTRICT**

Baltic
Belorussian
Carpathian
Far East
Kiev
Leningrad
Moscow
North Caucasus
Northern
Odessa
Siberian
South Urals
Transbaikali
Transcaucasus
Turkistan
Urals
Volga
Voronezh
Group of Soviet Forces, Germany
Northern Group of Forces, Poland
Pacific Fleet

COMMANDER

General of the Army P. I. Batov
Marshal S. K. Timoshenko
Colonel General A. L. Getman
Colonel General V. A. Penkovski
Marshal V. I. Chuikov
General of the Army N. I. Krylov
Marshal K. S. Moskalenko
Colonel General I. A. Pliyev
Colonel General A. T. Stuchenko
Colonel General I. A. Radzlevski
Colonel General P. K. Koshevoi
?
Colonel General Ya. G. Kreyzer
General of the Army K. N. Galitski
General of the Army I. I. Fedyuninski
Colonel General D. D. Lelyushenko
Colonel General V. N. Komarov
Colonel General A. I. Andreyev
General of the Army M. V. Zakharov
Colonel General G. I. Khetagurov
Admiral V. A. Fokin

Identified since November 1957

numerous decorations while serving as chief of staff to such field commanders as Konev and Malinovsky. From 1945 to 1949 Zakharov was head of the Voroshilov Military Academy. He was next appointed deputy chief of the Armed Forces General Staff, where he served until 1954, when he was made com-



ZAKHAROV

mander of the Leningrad Military District. He retained this position until his recent appointment as commander in East Germany.

In the Ministry of Defense, Marshal Grechko was appointed

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commander of the ground forces to fill the vacancy left by Malinovsky. The only major change since was the replacement of Colonel General Zheltov by Colonel General Golikov as head of the Main Political

Directorate. This change did not constitute a demotion for Zheltov as he was subsequently appointed chief of the Administrative Department of the party central committee. [redacted]

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PEIPING CLAIMS SPECTACULAR ECONOMIC ACHIEVEMENTS

The leadership in Peiping clearly feels that the State Statistical Bureau's report showing an "unprecedentedly rapid" economic growth during the first half of 1958 vindicates its judgment that the Chinese economy was ready for a "giant leap forward" in economic development. The official People's Daily says the report completely invalidates the views of the "gloomy clique," which has held that the year's final accounts would justify the view that the "leap" policies were overly hazardous.

"Some people" had held, the daily says, that the larger the industrial base, the slower the rate of growth, but the "facts" released in the statistical report show that they are completely wrong. The report discloses that the total value of industrial production was 34 percent above the same period last year, as compared with a 15-percent increase called for in the official plan and a 33-percent increase pledged under the regime's leap forward program. No firm figures were given for the output of individual industrial items, but the percentage increases indicated seem within the range of possibility. Investment in new construction, according to the re-

port, was more than 40 percent above the midyear level of the record construction year of 1956.

"Some people," the daily goes on, had held that agricultural production could not be increased more than about 5 percent a year, but the "facts" prove them wrong. The statistical report claims that the winter grain and early summer crops already harvested or about to be harvested recorded a remarkable 69-percent increase over the same crops last year. The claimed increase in these early crops is some 11,000,000 tons greater than Peiping's estimate of the total increase in food grains achieved during the entire period of the First Five-Year Plan (1953-1957). Wheat, formerly a low-yield crop, is said to have become a high-yield crop, and the harvest this year will top that of the United States for the first time in history.

These claims may be exaggerated, but Peiping probably did achieve substantial production increases through more intensive cultivation of these early crops, improved water control measures, and an extensive application of fertilizer--a claimed 48.5 tons per acre, composed mainly of mud and organic fertilizers.

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These statistics claim phenomenal progress and remain to be substantiated. The tone of the People's Daily commentary on the report suggests that the "gloomy clique" has been further isolated and that Peiping may move against the as yet unidentified individuals in it. The

leadership, which has shown occasional misgivings about the "leap" program now seems satisfied that the pace achieved during the first half of the year can be sustained during the second half.

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(Prepared by
ORR)

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HUNGARIAN REGIME FORCES CONDITIONAL SURRENDER OF WRITERS

As a follow-up to the execution of Imre Nagy, the Kadar regime has intensified its efforts to force the Hungarian intellectuals to associate themselves with the regime. As a result, the remaining leaders of the intellectual resistance --the highly respected "populist" writers--have decided to cooperate with reservations and to begin contributing to regime publications. Concurrently, the government is reported to have arrested a number of secondary school students who allegedly had been influenced by the writers and planned a demonstration following the Nagy execution; it has also continued retrials of convicted "counter-revolutionaries," some of whom are intellectuals, who had previously received light sentences.

The decision to increase pressure on the "populist" writers apparently was reached at a central committee meeting on 6 June and was followed in late June by an extremely detailed attack in Social Review, party ideological monthly. In parallel press attacks, the "populists" were accused of such crimes as preparing the ideological foundation for the 1956 revolt, anti-Semitism, bourgeois nationalism, opposing collectivization, and corrupting Hungarian youth, any one of which would be justification for police action. Finally, the re-

gime is reliably reported to have begun the trial of Istvan Bibo, a close associate of the "populists" for his part in the Nagy government.

The regime, however, was careful to give the writers a face-saving device. At the same time that the press was bitterly attacking them, culture-boss Gyula Kallai sent letters to the four leaders of the "populists"--Laszlo Nemeth, Aron Tamasi, Peter Veres, and Gyula Illyes--outlining the party's cultural policy and asking for their comments on it. This was followed by an offer granting the "populists" the right--at least ostensibly--to publish anything they wished in certain periodicals. A similar offer was also made to Laszlo Lajtha, a leading composer associated with this group.

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Also, in the week of 21 July, the regime brought 130 convicted "counterrevolutionaries" up for retrial before the Supreme Court, including Communist intellectuals Jozsef Gali and Gyula Obersovszky, who

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were given rather light prison sentences last year after European intellectuals intervened on their behalf. The regime is reported to have demanded the death penalty for Obersovszky at least.

The regime probably hopes that a capitulation of recalcitrant writers would pave the way for the capitulation of the

technical intelligentsia, also under pressure to cooperate in return for forgiveness for past "mistakes." In this case, however, the regime is handicapped by a severe shortage of technically trained persons in Hungary, since many fled to the West during the 1956 revolt, and it must attempt to salvage as many of those remaining as possible.

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FRENCH REACTION TO DE GAULLE'S DRAFT CONSTITUTION

The French press and political parties are concerned over the increased powers of the president and the reduced powers of the National Assembly provided for under De Gaulle's constitution just submitted to a special consultative committee for review. The public's attitude, however, is "let De Gaulle see what he can do," and the final draft--though it may incorporate some changes--will probably be approved by a large majority.

The draft attempts to overcome chronic French governmental instability by increasing the power of the executive at the expense of Parliament. Presidential authority would extend to appointing the premier and dissolving the assembly, negotiating treaties, assuming full control in emergencies, and calling for referenda to break deadlocks between the government and Parliament.

The National Assembly's legislative powers are restricted to "major" fields, and it can no longer easily overthrow governments. Moreover, the Senate's powers would almost equal those of the assembly, and, for the first time in modern French history, there would be a constitutional court which would have wide powers to pass on legislation.

The provisions on relations with France's overseas possessions are purposely vague. The Algerian settlers read in them

a promise of integration of Algeria into France, but West African nationalists are already protesting the omission of an option for independence.

Press reaction to the draft has so far been cautious, but fear is evidenced that the new constitution might permit the rise of a "strong man." Le Monde sees "a presidential monarchy in the decor of a parliamentary republic," and expresses concern about the period after De Gaulle. Andre Siegfried writes in Le Figaro that none of the constitutional provisions should give rise to any basic objections except in the case of the very limited legislative functions, although the power of the president to "take measures required by circumstances" is described as scarcely acceptable and contrary to a century of liberal tradition.

The political parties are similarly critical of the "inordinate power for the president and the straight jacket around the assembly," and will probably sharpen their attacks. Both the Socialists and Radicals have expressed fears the draft contains "grave dangers for the republic." Nevertheless, disgust with the Fourth Republic, faith in De Gaulle, and fear of a coup d'etat if the constitution is rejected combine to make passage of the final version a virtual certainty. The September-October referendum will be more a plebiscite for or against De Gaulle than a measure of the merits of the proposed constitution.

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FINNISH POLITICAL SCENE CONFUSED

The difficulties preventing formation of a majority government in Finland may lead to a continuation of the nonpolitical caretaker regime of Reino Kuuskoski, who, contrary to

usual practice, did not offer his resignation when parliament convened on 29 July. Inclusion of the Communist-front Finnish People's Democratic League (SKDL) is still unlikely.

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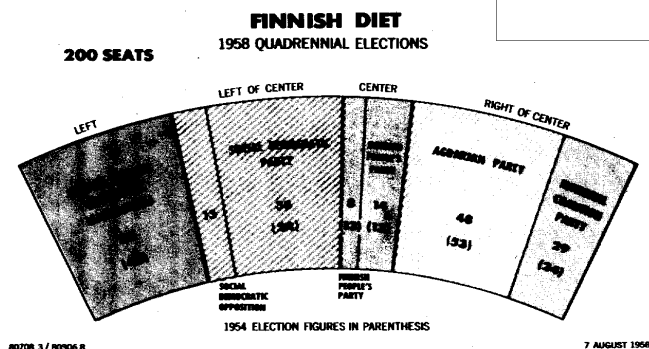
SKDL, as the largest party in parliament, was given the customary first chance at forming a majority government. It failed, as did the Social Democrats and the Conservatives. President Kekkonen on 7 August asked the Agrarians, Social Democrats, and the Social Democratic Opposition together to try to form a majority government.

The ultimate possibility of a coalition cabinet with

Without their support such a coalition would lack a majority. The possibility of a certain amount of collaboration in parliament among the SKDL, the Agrarians, and the dissident Social Democrats was, however, demonstrated on 29 July when the three parties joined forces to elect an Agrarian speaker and a Communist first vice speaker.

Inability of the various parties to reach an agreement could lead to a protracted continuation of the caretaker Kuuskoski regime. The Agrarians are not displeased with his performance.

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SKDL participation depends on the willingness of the Agrarians and the dissident Social Democrats to enter into such an arrangement. This has not been ruled out by dissident Social Democratic leader Aare Simonen and by some Agrarians, but the latter party is divided over the question, since some of its deputies strongly oppose cabinet collaboration with the SKDL.

Formation of an effective, democratic majority government depends on abatement of the bitter animosities between the Agrarians and the Social Democrats and within the latter party itself.

Failure to form an effective government capable of dealing with the formidable economic problems, principally unemployment and marginal farming, by an economically sound program of economic expansion and industrialization will benefit the Communists.

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BOLIVIAN REGIME THREATENED BY POLITICAL INSTABILITY

The protracted rift between the left and right wings of the governing Nationalist Revolutionary Movement (MNR) in Bolivia may develop into open conflict if moderate President Siles carries out his most recent threat to resign. Former President Paz, titular head of

the party, who returned to Bolivia last May as a self-styled moderator, has thus far failed to reconcile the two hostile MNR factions. In the event Siles resigns, as he has threatened to do several times in the past 18 months, support for the US-backed stabilization program

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in Bolivia will probably be considerably weakened.

Bolivia's present political crisis is focused on the composition of the cabinet. The leftist MNR element, headed by labor leader Juan Lechin, has demanded the removal of some of Siles' reliable moderate and rightist supporters. Probably to back up his demands, Lechin has threatened to call a strike of the powerful mine workers' union, which he largely controls. Meanwhile, Paz has insisted that Siles appoint a cabinet with an equal number of rightists and leftists. Siles, however, has rejected both demands and has reportedly threatened to resign on 6 August in favor of Alvarez Plata, Senate president and MNR national political committee chairman. Formerly considered a backer of Siles, Alvarez now is believed to have drifted into the ranks of Lechin's leftist followers.

Neither Paz nor Lechin has indicated any willingness to assume the presidency, although Paz, who left Bolivia on 4 August, may be seeking to rule the country from behind the scenes through Alvarez.

Siles advised American Ambassador Bonsal on 2 August that prior to taking an indefinite leave of absence shortly after 6 August, he will organize a new cabinet favorable to the US-backed stabilization program begun in late 1956. This suggests he may be wavering in his decision to resign and that a solution to the MNR internal conflict may be found short of his retirement. The possibility exists, however, that the deep split in the MNR could provoke a concomitant division among the army, police, and militia and result in serious violence.

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ARMED FORCES DISAFFECTION THREATENS CUBAN GOVERNMENT

The Cuban armed forces are increasingly restive because of the government's inability to quell the Castro rebellion in Oriente Province or to resolve the prolonged political crisis, a fact which could impair President Batista's chances of maintaining himself in power. The military has traditionally been the bulwark of the Batista regime.

recent weeks has contributed to the demoralization of the army.

The inability of the armed forces to put down the Castro rebellion could serve to convince some high-ranking military elements of the need to oust Batista in order to restore peace.

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Disaffection among enlisted men has been marked in Oriente Province, where troops fighting the Castro rebels have been forced to cope with unfamiliar terrain and guerrilla tactics and many officers have flagrantly engaged in graft. Increased and apparently relatively successful rebel activity during

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THE HAITIAN POLITICAL SITUATION

The government of Haitian President Francois Duvalier remains extremely vulnerable, despite its success in putting down an attempted coup by a small group on 29 July. Opposition leaders are undoubtedly still planning moves against the government.

army remains in doubt. Weak and divided as a result of Duvalier's purges of senior officers, the army is no longer the traditional stabilizing influence in Haitian politics.

The political climate has grown steadily more turbulent since Duvalier assumed office last October.

Concerned for its security in the face of reports of "imminent" land and sea attacks, the government has requested the United States to establish air and possibly sea patrols along the Haitian coast and to supply the government with arms.

Duvalier's control over the political situation seems precarious at best. His greatest support comes from his armed secret police and other civilian partisans. Although Army Chief of Staff Flambert apparently proved his loyalty by leading the government's counterattack on 29 July, it was the secret police rather than the army which crushed the rebels. The loyalty of the

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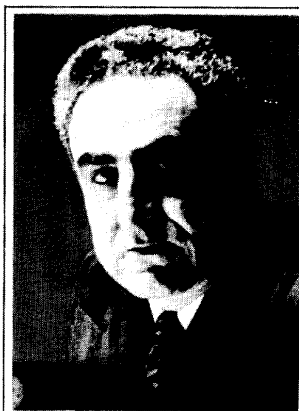
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13TH UN GENERAL ASSEMBLY PRESIDENCY

Lebanese Foreign Minister Charles Malik's position on favoring the landing of American troops in Lebanon has raised considerable doubts among UN members about his suitability for the presidency of the 13th General Assembly which opens on 16 September. Although prior to the crisis Malik seemed assured of the office--usually bestowed by a substantial majority as an accolade for previous UN activities--Middle Eastern events have encouraged other countries to offer candidates to the detriment of Malik's chances.

When Malik withdrew his candidacy at last year's General Assembly in favor of Munro of New Zealand, UN members generally conceded that the office should go to him in 1958. Although this session begins before President Chamoun and his

foreign minister are scheduled to leave office, Malik's close association with the old regime has led some UN members to



MALIK

question whether he would be "representative" of the new Lebanese Government. Many members

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doubt that incoming president Shihab would even appoint Malik as a UN delegate.

Reports from Beirut, however, indicate that Shihab might regard the election of Malik as assembly president and the appointment of Chamoun as chief delegate as a convenient means of getting both men out of Lebanon. Even if the Shihab government should send Malik to the UN, support for him personally has seriously declined.

many Latin American delegations would not vote for Malik because "he had come out in favor of foreign intervention."

Yugoslav Foreign Minister Koca Popovic's announcement of his candidacy on 1 August could seriously encroach on support for Malik. On 8 July the Yugoslav UN delegate told Ambassador Lodge that Belgrade believes it can draw more support than Malik. The Yugoslavs see this as an ideal time to demonstrate the number of their friends in the present struggle with the USSR. They believe they would gain backing from the West, Asia, Africa, and Latin America.

Czechoslovakia has officially announced the candidacy of its chief UN representative, Jiri Nosek. Unless a serious deadlock develops between Malik and Popovic, however, election of any satellite representative to the presidency seems unlikely.

NATIONALIST PARTY DEMANDS INDEPENDENCE FOR FRENCH WEST AFRICA

African nationalists at a regional party congress on 27 July demanded immediate independence, reflecting the growing opposition in French Tropical Africa to the proposed French constitutional amendments. The slogan of independence is likely to have electrifying effect on the Africans and may force the political pace faster than desired by moderate leaders, who appreciate French West Africa's economic and administrative dependence on France.

The major nationalist parties in French West Africa--the African Democratic Rally (RDA), which controls the government of four of the eight territories, and the Party of the African Regroupment (PRA), which dominates three--oppose the proposed amendments to the French constitution because they do not recognize the "right to independence" for

dependent territories under a federal system. The voters in the autumn referendum will have the following alternatives for which to express a preference: retention of the present colonial status, integration with metropolitan France as departments, or association in a federal system.

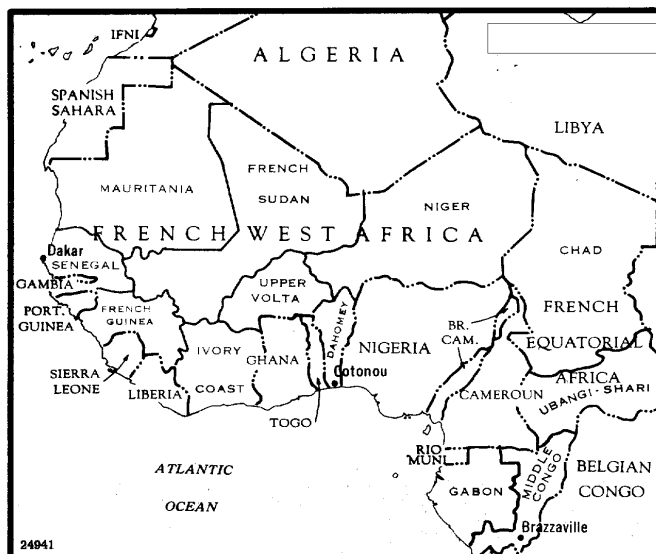
Many Paris officials are resigned to early independence in Tropical Africa but fear the effect that an independence clause would have on Algeria. According to an unconfirmed press report, De Gaulle favors conditional independence for France's Tropical African possessions in a loose federation in which Paris would handle foreign affairs. Such an offer would appeal to moderate nationalist leaders but may not satisfy extremists who have gained strength recently.

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the congress' decision and presented the resolution to De Gaulle on 29 July.

The action of the PRA is likely to influence the strong left wing of the more moderate African Democratic Rally to demand that it assume a tougher position with France. Resistance on the part of Houphouet-Boigny, moderate leader of the RDA who was virtually repudiated by his party in 1957, might lead to a splintering of the RDA and the political eclipse of

At the PRA congress at Cotonou on 27 July the student-labor union elements assumed control and secured a unanimous resolution demanding immediate independence and the creation of a constituent assembly to arrange the regrouping of the 12 territories of French West and Equatorial Africa to form a new state which would be linked with France in a confederation of "free and equal peoples." The moderate leader of the party, Leopold Senghor, acquiesced in

Houphouet-Boigny.

A tougher nationalist attitude is already apparent in the 30 July statement of the PRA premier of Senegal. He denounced as "pre-Cotonou and outdated" the recent French reform whereby an elected African rather than the French governor presides over the territorial council, which in turn is responsible to the local legislature.

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IRAQ'S NEW ECONOMIC ORIENTATION

The conservative approach to Iraq's economic development program followed by prerevolutionary governments is being abandoned by the new Iraqi regime. The Development Board, the chief instrument for channeling 70 percent of oil revenues into economic projects, is being overhauled, and members appointed by former governments have been dismissed. The position of Western consultants to the board is in doubt.

Large numbers of Egyptian economic specialists, who quickly responded to Baghdad's requests for assistance shortly after the revolt, are now in a position to exert influence on the expenditure of oil revenues set aside for development. These funds are presently accumulating at about \$150,000,000 per year. Based on the precedent of the Egyptian revolution, these advisers can be expected to press for a large-scale redistribution

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of land--a move which would greatly enhance popular support for the present government.

The new government's policy toward the oil industry is coming into sharper focus. Despite public assurances that the government is favorably inclined toward maintaining the status quo before the revolt, considerable departure from existing arrangements probably will occur. Baghdad is seeking support and guidance from Nasir on economic matters, and Egyptian petroleum experts have already arrived in Baghdad.

Pressure on the Iraq Petroleum Company (IPC) to build a new pipeline through Syria will probably begin soon, since Baghdad apparently sought agreement with Nasir for permission to build such a line. The IPC concession, which covers almost all of Iraq, may be reduced substantially and the released areas opened to other companies, probably on the pattern of the 75/25 profit split and joint-

management scheme recently concluded in Iran. Demands that IPC alter its existing 50/50 profit split, which had been put forward by the former government, probably will be pressed with more vigor by the new government. It is also likely that Iraq will attempt to get large retroactive payments from the oil companies.

Iraq's attitude toward economic relations with the Communist bloc countries may be patterned after those adopted by Cairo. Baghdad's statement to Peiping that Iraq "will establish political, commercial, and economic relations with all nations of the world without any discrimination" suggests the government would not be adverse to supplying petroleum to Communist China and the Soviet Far East. Presently oil for these areas is supplied chiefly from the western USSR and shipped, at high cost, by way of the Trans-Siberian Railroad.

(Concurred in by ORR)

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RIVAL LEADERS IN PAKISTAN MAKE ELECTION PACT

Some improvement in political stability in Pakistan may result from the agreement reached on 3 August between President Mirza and his chief rival, former Prime Minister Suhrawardy, to cooperate in the forthcoming national elections. It also lessens the possibility that the elections, expected to be held in February, will again be postponed.

The two dominant political personalities apparently agreed to work together to try to elect Republican party and Awami League candidates to the national and provincial assemblies who would then under the agreement elect Mirza as president. Mirza would

name Suhrawardy prime minister, heading a coalition of the two parties which dominate the political scene in West Pakistan and East Pakistan respectively. Suhrawardy undertook to continue to support the present government of Republican Prime Minister Noon until the elections, under the condition that an Awami League ministry be restored in East Pakistan following the expiration of President's Rule in the province on 24 August.

The statements made by Mirza since he returned from the Baghdad Pact talks in Ankara and Tehran to the effect that he intends to function as a "constitutional president" from now on

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must be treated with reserve, however. His pact with Suhrawardy, moreover, will be subject to the strain of their continuing competition for power and could be modified by changing political conditions.

Mirza's willingness to resume his cooperation with Suhrawardy, whom he ousted from office in October 1957, may be prompted by his shock over developments in Iraq and also by increasing signs that his sup-

port among the Pakistani Army and other influential groups is waning. In considering the alternatives open to him to protect his future position, Mirza may have been persuaded by these trends that his interests would be better served by cooperating with Suhrawardy, who is capable of effectively defending the government's pro-Western foreign policy, than by attempting to assume a more dictatorial role.

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COMMUNIST GOVERNMENT IN INDIA'S KERALA STATE UNDER FIRE

The Communist government in India's Kerala State has come under increasing fire as a result of a series of clashes between state police and non-Communist demonstrators. While Communist control in Kerala does not appear to be seriously endangered, this first effective challenge to the Communist regime has served to strengthen and unite the non-Communist opposition. Prime Minister Nehru has thus far resisted pressure for the national government to intervene.

Recurring incidents and strikes during recent weeks involving opposition agitators have resulted in police action in which seven people have been killed and a large number injured. There have also been a number of political murders, apparently aimed at terrorizing the opposition. Reliable sources report that anti-Communist sentiment among large sections of the public in Kerala has sharply

increased as a result of the continuing agitation.

The police firing has drawn protests from a top leader of the all-India Communist party as well as from Congress party officials. S.A. Dange, leader of the Communist group in the national Parliament, stated on 27 July that the party would inquire into the Communist government's action in Kerala with regard to the maintenance of law and order, and instruct it to avoid such violent incidents in the future or be asked to resign.

Dange on 3 August invited the two main Socialist parties in Kerala to join the Communists, who have only a bare majority in the state assembly, in forming a united-front government. It is not yet clear whether Dange's statements reflect the official view of the party, which formally adopted a "peaceful" approach to power in April.

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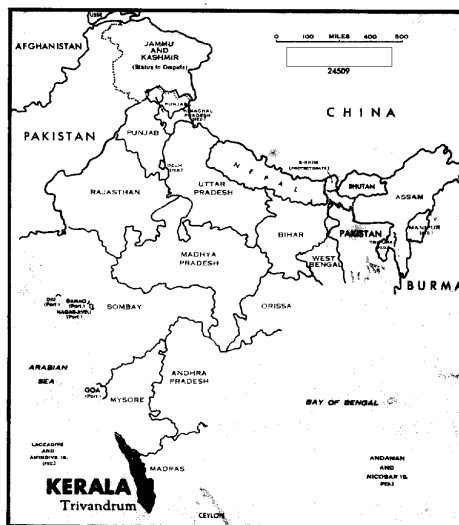
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The Kerala Socialists, who have been actively cooperating with the Congress party in opposition to the Communist ministry, are unlikely to be interested in Dange's proposal.

There has been growing concern in New Delhi recently over the Communists' new tactics of violence and intimidation in Kerala, particularly over references by Chief Minister Namboodiripad to the possibility of "civil war" in the event Congress leaders form a front with other opposition parties. New Delhi's apparent unwillingness to intervene constitutionally in Kerala probably stems in part from its reluctance to undercut efforts toward organizing a united opposition. Local Congress and Socialist politicians are likely to continue to foment disturbances, possibly in an effort

to force the national government to establish emergency President's Rule as a step to-



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ward ousting the Communists.

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LEBANESE PRESIDENT-ELECT GENERAL FUAD SHIHAB

At a time when Lebanon is faced with its most critical problems since World War II, the country's politicians have turned to a military man, General Fuad Shihab, who insists he is no politician, to lead the country.

Shihab, born in 1903, is a member of the Maronite Christian branch of one of Lebanon's leading families. Other Shihabs are Moslems and Druze, a fact which may accentuate the general's natural tendency for compromise in a country in which all political matters are decided on a sectarian basis. French-educated, Shihab received his military training in the French Levant Army when Lebanon was under French mandate. After receiving his commission in 1923, he was sent to France for further training.

In 1936 he married the daughter of a French officer and again returned to France in 1939 to attend the French War College. When World War II threatened, he was assigned to General Weygand's staff in Syria; he commanded Vichy forces fighting against

Free French and British troops in the Beirut sector. In 1945 he was appointed commander in chief of the Lebanese Army by President Bishara al-Khuri.

When the Palestine War broke out in 1948, General Shihab remonstrated against engaging his inadequately armed forces, but followed orders.

Within a few days Lebanese forces were pushed back into Lebanon. After reorganizing his forces, the general asked to be sent to the front again, but no orders were forthcoming. The Palestine fiasco resulted in the organization of an opposition to President Khuri led by Saeb Salam.



GENERAL SHIHAB

In 1951 and 1952 disturbances multiplied, and riots and strikes soon threatened

the state's security. General Shihab was given "full responsibility for security of the nation" and was ordered to arrest the opposition leaders. He refused to do so, however, stating that he could not guarantee the president's safety, and suggested that Khuri resign. Shihab's excuse was that there was "insubordination" in the army which he could not control.

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Khuri resigned on 18 September 1952, whereupon the press and certain elements of the public called on Shihab to assume the presidency. He refused, saying that he was not interested in a political career. Later, when pressed by Prime Minister Karame to sign a defense pact with Syria, he refused to consider it because he believed it would be dangerous to be allied to a weak Syria.

The general first clashed with President Chamoun in the summer of 1955 when unruly tribes in northern Lebanon carried out widespread smuggling activities--mostly hashish and arms--and were robbing travelers. The President ordered Shihab to send troops to the area to restore order, which Shihab refused to do on the ground that it was a police problem. Shihab reached an accommodation with the chief tribal leader and promised to secure government assistance for the dissident tribes. Shihab won much acclaim from the residents of that area for his attitude, and Chamoun was forced to rescind the order.

During the present Lebanese rebellion, General Shihab's reluctance to utilize the army's full resources against the opposition stemmed in part from a dislike of President Chamoun and a fear that his "brittle" instrument would shatter if ordered to strike hard because of the political divisions within it. Throughout the rebellion Shihab has maintained contact with rebel leaders and has

reached understandings which he claimed would ward off sectarian warfare.

This policy has preserved some of his popularity among moderate opposition elements, but at the same time has weakened the position of pro-Chamoun elements. This attitude apparently has convinced the opposition that he is a man who can be induced to compromise to their advantage, and it has resulted in Shihab's having made almost no influential political enemies.

Shihab warned American officers against Syrian-Egyptian unity and the threat to Near Eastern peace that it would bring. He also has expressed concern over the rise of Soviet prestige in the Middle East at the expense of the United States.

Although critical of American policy in the Middle East, Shihab has been friendly toward the United States. He has criticized American policy for not doing "something positive" about the Palestine situation and has claimed that only the US could influence Israel to a compromise which would "save Arab face."

More recently Shihab has said he believes that Nasirism is the "wave of the future," and, because of his political outlook and personality, may well lead Lebanon out of the Western camp into the UAR sphere of influence. Nasir in fact recommended Shihab as a "com-
promise" candidate for the presi-
dency some two months ago.

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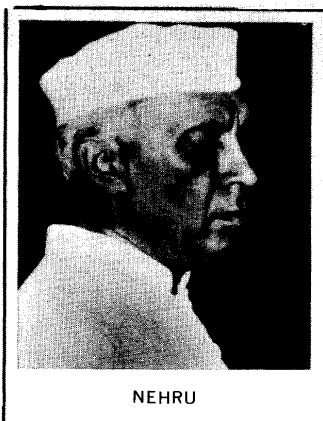
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TRENDS IN INDIA'S FOREIGN RELATIONS

During the past year, developments within the Sino-Soviet bloc have led India to adopt a more critical attitude toward the Communist world. At the same time, India's relations with the United States have improved. Recent events in the Middle East, including the landing of American troops in Lebanon, produced a more restrained reaction from Prime Minister Nehru and his government than might have been expected, and American relations with India apparently have not deteriorated



NEHRU

significantly to date. This does not mean that Nehru is likely to alter his basic policy of nonalignment with the two power blocs or that he will abandon his opposition to defense pacts and nuclear tests. It does suggest, however, that Nehru will probably remain cautious in his tactical approaches toward the Sino-Soviet bloc.

Relations with Moscow

New Delhi's assessment of the USSR's position in world

affairs has been conditioned by three major developments during the first half of 1958: party chief Khrushchev's assumption of the Soviet premiership, the bloc campaign against Tito, and the execution of Imre Nagy. The Indian press--probably reflecting official reaction--recognized Khrushchev's move as a resumption of one-man rule, but observed that a return to "undiluted Stalinism" was unlikely.

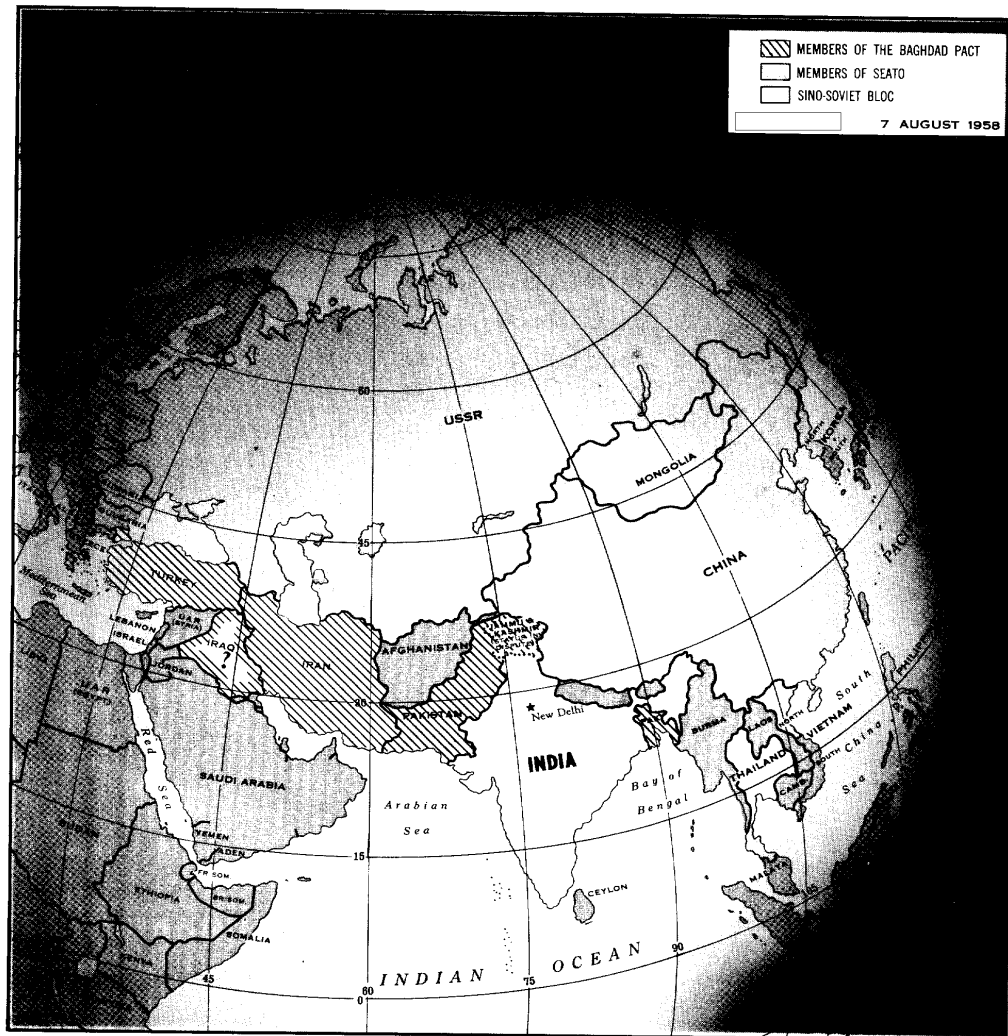
Doubts as to the prospect for continued liberalization within the bloc were soon engendered by the harsh treatment accorded the Yugoslav Communist party by Moscow and Peiping. In his first such direct statement, Nehru condemned the ideological rigidity of international Communism and reproached both Moscow and Peiping for the retreat from liberalization and the "hundred flowers" thesis. He cited the attacks on Tito as an example of interference in the internal affairs of another country.

"Whatever you do, you must not forget national interest. To think always in terms of the nation and act in the interest of the nation is the real sign of maturity and wisdom."

Nehru, 27 August 1956

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The execution of the Hungarian rebel leaders also had a strong impact throughout India. In contrast to the hesitant and mixed reaction to the 1956 uprising, there was an immediate public outcry against the action. This was followed by a prolonged and nearly universal condemnation. Official reaction, as in 1956, lagged somewhat behind the outraged response of the press and public. Party and government statements--although guarded and generalized--were clearly critical, however.

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Nehru's deputy, Home Affairs Minister Pant, in two public speeches condemned the "murder" of Nagy in the strongest terms yet applied by top Indian officials to bloc affairs.

Amplifying an earlier statement of 23 June, Nehru told a press conference on 3 July he was "shocked and worried" by the development, but hedged his comments, apparently to avoid unduly offending Mos-

mind as to how far the principles are being acted on by people who talk about them. This constitutes his first public admission that the principles may not in practice be honored by the Communist coun-

"Stalinism is once again alive. Countries which had given people freedom are taking it back. The urge for independence in Hungary and Poland has been thwarted. The slogan of 'let a hundred flowers bloom' is now dead....Communists in India also recently pledged to adopt peaceful methods, but what we have seen shows that they--Communists all over the world--have swerved from that path. The most recent example was the murder of Mr. Imre Nagy."

Indian Home Affairs Minister Pant, 1 July 1958

tries which so frequently espouse them.

The fact that Moscow did not move troops into the Middle East to counter Western intervention was received in New Delhi with approval and relief. Khrushchev's proposal for a summit meeting on the crisis accorded with Nehru's frequent appeal for top-level negotiations and gained his immediate support. Soviet insistence on Nehru's participation in the summit talks also impressed New Delhi. Nehru was reported to be keenly disappointed, however, that Moscow refused his request to support the Japanese UN resolution on Lebanon.

Relations with Peiping

While reaction in India to recent bloc developments has been focused largely on Soviet responsibility, the role played by neighboring Communist China has not gone unnoticed. Peiping's stand on the Yugoslav and Hungarian issues has, in fact, come as a revelation to large segments of Indian opinion, official and unofficial, and may have more significant implications in the long run than the reaction against Moscow.

Since a major part of India's foreign policy tactics has turned on Nehru's conviction that an important relaxation of controls was under way inside the Soviet realm and should be encouraged by withdrawing outside pressures, this revision of Nehru's own assessment could have profound effects on India's international policies.

Another indication that Nehru was reappraising the basis of his foreign policy came in his comments during a press conference in early July on the validity of the Five Principles of peaceful coexistence, of which noninterference in internal affairs is the cardinal point. Nehru confessed that a question had arisen in his

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Indian policy has been based largely on the assumption that China, as a sort of comrade in the Asian nationalist movement, could not be considered an integral part of the Sino-Soviet bloc. Russian Communism and Chinese Communism have appeared to most Indians as two quite different phenomena. Similarly, New Delhi has not considered Peiping subject to the doctrinaire outlook associated with Moscow or identified with the more repugnant aspects of Stalinism.

Mao's experiment with the "hundred-flowers" concept, ostensibly allowing a freer intellectual atmosphere, confirmed many Indians' view that Peiping's approach to Communism was not identical with that of Moscow. Its subsequent shift to a crackdown on intellectual dissidents had relatively little impact on Indian attitudes, however.

On the other hand, Peiping's unqualified support--at times even leadership--of the bloc's recent attack on Tito and its endorsement of the Hungarian executions came as a considerable shock to many Indians, and Chinese prestige in India has been damaged. Officials in New Delhi--including the prime minister--will probably feel it necessary to revise their estimates of Peiping's position in the Communist world, as well as in Asia.

Relations With the US

A gradual improvement in New Delhi's relations with Washington began toward the end of 1955. It was enhanced by the American stand on the Suez crisis in 1956, by Nehru's personal talks with President Eisenhower in December of that year, and by stepped-up American economic assistance to India in 1958.

Official and public opinion in India has been strongly critical of Western intervention in the Middle East, contending that Arab nationalism is a force that cannot be contained by the West with armed force. To attempt to do so, in Nehru's privately expressed view, merely provides the USSR with propaganda capital. India's official reaction, however, has been restrained, in contrast to the bitter denunciation in 1956 of the British-French intervention in Suez. New Delhi's more reasonable attitude is illustrated by Nehru's reportedly pleased reaction to President Eisenhower's letter explaining US motives and by the general readiness among official circles to credit US good intentions.

This reaction is consistent with a noticeable shift in Indian attitudes during the past year toward a more sympathetic position vis-a-vis the United States. During this period, Indian officials--from Nehru on down--softened their criticism of US policies and showed a greater responsiveness to American arguments, both in New Delhi and at the United Nations.

A major--though probably not decisive--factor in the establishment of closer relations has been India's increasing dependence on the United States for essential economic assistance. By 1957 it had become clear to New Delhi that the fulfillment of even the "hard core" of the Second Five-Year Plan (1956-61)--on which the political and economic future of India hang--would be impossible without substantial aid in the form of foreign exchange. It was equally clear that the only acceptable source for most of this vital assistance was the United States. Aid on such a scale from Moscow apparently

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was ruled out by New Delhi for political reasons--nor was it certain that the bloc would be willing to provide it.

By May 1958 it had become apparent that India faced a far more severe financial crisis than originally anticipated, and the need for greatly increased foreign assistance during the remaining three years of the plan period was emphasized.

Relations with Neutralist Leaders

Indications of a sharper Indian awareness of cold-war realities are also evident in New Delhi's reaction to recent developments in the Middle East and Southeast Asia, even though its traditional policy of non-alignment and mediation has been consistently maintained.

Nehru's relations with Yugoslavia, the UAR, and Indonesia show that he continues to place a high premium on the strengthening of nations which are not aligned with either major bloc, in the hope that more independent leadership will prevent the division of the world into two warring camps. At the same time, Nehru maintains his opposition to the formation of any new "bloc," preferring to extend the "area of peace," i.e., nonalignment.

Fearing that his presence would be interpreted as formalizing a new relationship, Nehru has resisted suggestions for a "neutralist summit meeting" with Tito, Nasir, and Sukarno, and has limited his support of these leaders largely to behind-the-scenes efforts.

Indian officials' bias in favor of the UAR's position on issues in the Middle East was

strengthened as a result of Western intervention. Nasir's leadership of Asian nationalism in the Middle East, opposing the Baghdad Pact of which Pakistan is a member, will probably earn him continued support from New Delhi, even though Nehru has misgivings about Cairo's expansionist objectives.

Nehru's reaction to the events in Indonesia demonstrated fear that a Communist take-over might occur in this strategic area flanking the Indian subcontinent, either through internal dissension or through foreign intervention. Early in May, New Delhi appealed privately to the United States for support of a Sukarno-Hatta realignment as the best hope of preventing Communist gains.

Prospects

Nehru is not likely to abandon his long-established policy of nonalignment. He will almost certainly continue to oppose US policy on such issues as regional military pacts and cessation of nuclear testing, and refrain from taking a more positive stand against bloc actions in the interest of promoting his main objective of an East-West rapprochement.

However, the considerable alienation of Indian good will toward Moscow and Peking in the wake of the Yugoslav and Hungarian developments, combined with India's growing need for American economic assistance, has almost certainly left its mark on New Delhi's foreign relations. The result could be a tacit moderation of India's previous policies.

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PEIPING'S ATTITUDE ON POPULATION GROWTH

The Chinese Communists now proclaim that an immense population is their greatest resource and presents no obstacle to their "giant leap forward" in economic development. In late 1956 and early 1957, Peiping began but did not fully develop a propaganda campaign to popularize birth control. This campaign was quietly dropped last year when the program for political liberalism was reversed and optimistic economic planning resumed. The present policy contemplates the continuation of the current population growth which would bring China's population from the present 650,000,000 to 720,000,000 in 1962 and over 810,000,000 in 1967, and to pass the billion mark around 1975.

Population Growth

As in all peasant economies, birth rates in China have been traditionally high. After the Chinese Communists came to power in 1949, death rates, being more susceptible to control, fell sharply as hostilities ceased, the economy was stabilized, and elementary public health programs were inaugurated. Birth rates remained high and the rate of population growth increased steadily between 1950 and 1957, when it reached around 2.5 percent per year. China's population is increasing now at a rate of some 16,000,000 annually.

Population Policy

Before it took its first national census in 1954, Peiping had no population policy. When the results of the census disclosed, however, that the country's population--580,000,000--was far larger than estimated, a number of Chinese leaders, both inside and outside the party, began to advocate population control. Mao

Tse-tung himself said privately that he would like to limit the population to 700,000,000.

Initial public discussion of the subject was entrusted to non-Communists, one of whom suggested in 1954 that the regime set a ceiling on the population and maintain it through birth control. He argued this was necessary to protect the health of babies and mothers. The Ministry of Health, he said, had drawn up measures on contraception and birth control in July 1954 but had not publicized them. The ministry did begin a program of popularizing birth-control methods shortly thereafter, but the party gave it no public support at the time.

It was only after the economic setbacks of 1956 that the party leadership publicly identified itself with birth control, admitting the economic necessity for promoting it. Speaking for the party central committee, Premier Chou En-lai reported in the fall of 1956 that the Ministry of Health had been ordered to publicize a birth-control program. The official press asserted that a "moderate degree" of birth control was needed in order to raise living standards.

By the spring of 1957, birth control had become a major topic, official and public. A session of the China People's Political Consultative Conference in March was told that the nation needed a birth-control program to overcome employment problems, shortages of investment funds, and other economic difficulties. It was also told that legal restraints on induced abortion and sterilization were being eased--a policy which immediately ran into heavy opposition.

In the same period, a research committee was set up to

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look into the various means of limiting the birth rate, and clinics were established in many parts of the country to educate people in the practice of birth control. Articles began to appear in the press to instruct those interested in the approved techniques.

After the publication in June 1957 of a revised version of Mao Tse-tung's "contradictions" speech, the subject of birth control was played down, and public discussion encouraged to follow, with only minor modifications, the line set forth in that speech. Mao chided those who thought that "the fewer people and the smaller their world the better." He declared that China's 600,000,000 people were an asset, even though the figure did give rise to some "difficulties." He made no statement advocating birth control, as he reportedly had in his original speech.

The shift in approach was dramatized when several prominent, but non-Communist, demographers, and sociologists were denounced as "rightists" in the second half of 1957 for having taken the "Malthusian" stand that China's huge population definitely limited the rate of economic growth. They were charged with using the population question to sow doubts about the possibility of building China into a strong socialist power and about the ability of China's socialist economy to meet the needs for producer and essential consumer goods.

Reassessing its economic potentialities, Peiping decided by late 1957 that the pace of economic development could be stepped up and that the time was ripe for a "giant leap forward." New economic programs were grafted onto existing plans with a view to making a virtue out of the necessity of supporting this immense manpower.

Most importantly, some phases of industrial, commercial, and financial activities were shifted from Peiping to the lower administrative levels, a large number of small and medium-sized plants were constructed throughout the country, and the vast underemployed rural manpower--bolstered by additions from the cities--was put to work on staggering numbers of water conservancy projects. In essence, Peiping's hopes for marked production increases in the new program rest on the success of more intensive exploitation of labor.

Propaganda support of this "leap forward" program has required that Peiping take an optimistic public stand that China's huge population can, in Liu Shao-chi's phrase, do "anything within the realm of human possibility." In its extreme form this propaganda asserts that the rapid growth of population presents no problems which cannot be solved through increased production: "The greater the population, the better off we will be, because man is the most fundamental productive force."

As the "leap forward" program has progressed, Peiping in fact has argued that a serious labor shortage has developed requiring immediate solution. Liu Shao-chi has contended that the argument has been "blown sky high" that a big population impedes accumulation of capital and that China's agriculture cannot make quick progress. Peiping's present line on the population question is probably best summed up in a recent People's Daily assertion, "We are not promoters of regress who worry about China's population....We are revolutionaries...and promoters of progress."

Population Prospects

The present de-emphasis of the question does not mean that the regime has dropped the idea of controlling

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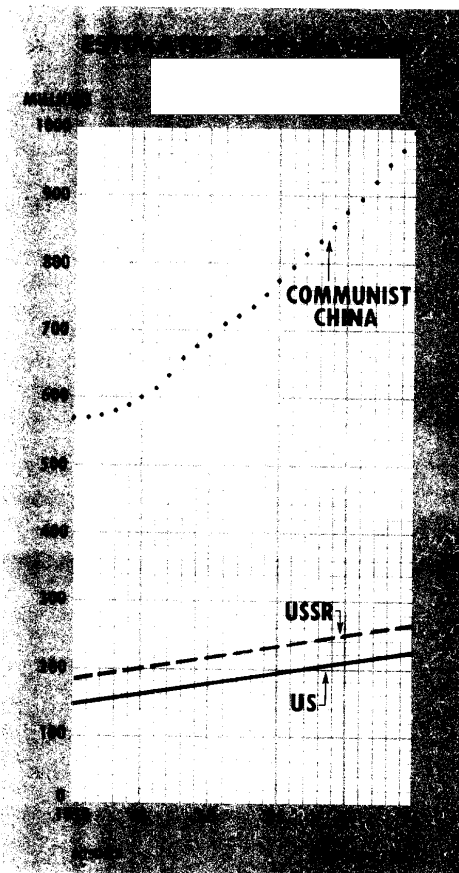
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population growth. Even when virtually denying the existence of a problem, Peiping usually keeps the door open for a reversal of its stand. The writer of a 6 June article in the People's Daily on population closed with a warning against "unrestricted and blind" population growth. "Planned increase of population," he said, is demanded in a planned economy.

Peiping will probably succeed to some extent in breaking

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down the traditions which encourage high rates of reproduction in China, by reducing the social and economic value of large families through such devices as paying the collectivized peasant only for his labor, regardless of the size of his family and abolishing special family allowances for urban

workers. It is likely that the birth-control clinics are still operating and that research into the various birth-control techniques is continuing against the day when a different program on birth control may be needed.

Among the techniques being studied are delayed marriage, contraception, induced abortion, and sterilization. Delayed marriage, the least expensive expedient, is encouraged in speeches. Peiping has given principal attention to contraception. A tardy realization that it was not in a position to produce enough of the necessary equipment at prices within the reach of the average Chinese probably contributed to the withering away of the 1956-57 birth-control campaign. A plant capable of turning out 100,000,000 contraceptive devices a year is being built in Shanghai, but even when the problems of production and distribution are solved, there will remain the problem of persuading millions of Chinese to change their mores in an area not easily susceptible to coercion. The development of an inexpensive oral contraceptive would simplify and facilitate acceptance of contraception, and development of such a method may have high priority in Peiping's research.

Peiping is aware that legalization of induced abortion and sterilization in 1948 enabled Japan to reduce birth rates at a dramatic and unprecedented pace. In the ten years which followed, Japan's birth rate was cut in half, from 35 per thousand to 17. Japan shifted to these measures only after others had failed. There may be a similar sequence of events in China. Peiping did ease legal restrictions on the two operations in March 1957, but at present the nation lacks sufficient qualified medical personnel to promote a successful program based on them.

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During the present Five-Year Plan (1958-1962), China's rate of population growth will probably remain fairly steady at the 2.5-percent rate attained in 1957. Birth rates in urban areas may, in the latter part of the period, show a slight tendency to drop. But since only 15 percent of the total population lives in cities, the over-all decline will be minimal and will be offset by a further

slight decrease in the death rate.

There is no assurance that the present muted program will continue through the period of the present plan. Economic failures would probably rekindle a sense of urgency over the population problem and might encourage the regime to undertake strong measures--including sterilization and abortion. (Prepared by ORR)

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